



IRISH LIFE WEEKLY INVESTMENT BULLETIN

The week that was – WEEK 16 (ending 15/04/2016)

"Tell me and I forget. Teach me and I remember. Involve me and I learn." – *Benjamin Franklin*

IMF forecasts Irish economic growth at 5% in 2016 – The International Monetary Fund (IMF) expects the Irish economy to grow by 5% in 2016, more than three times the euro area average of 1.5%. They forecast Irish inflation to increase to 0.9% this year and expect an Irish unemployment rate of 8.3% in 2016.

Sherry Fitzgerald say Irish property market is 'dysfunctional' – Estate agent Sherry Fitzgerald warned that the Irish House Price Index increase of 1.3% in the first quarter of 2016 "mask the true dysfunctional nature of the market" as supply of property for sale slumps to a record low and much reduced transactions.

Global stock market up over 2.5% during the week – Markets moved higher during the week with the gains mainly attributed to more reassuring news on the Chinese economy and potential energy price supply agreements. The MSCI World Index was up 2.6% from 11th April to 15th April in local currency terms.

U.K. inflation hits 15-month high – The Office for National Statistics (ONS) reported that consumer prices rose 0.5% in March compared to a year earlier, the quickest rise since December 2014, after almost a year of coming in around zero. Core inflation, which excludes more volatile food and energy prices, was up 1.5%.

IMF cuts global GDP growth forecast – The International Monetary Fund has revised its global GDP economic growth in 2016 down to 3.2% from 3.4% because of slowing demand. Eurozone GDP is now forecast to grow 1.5% in 2016 and 1.6% in 2017. U.S. growth in 2016 is forecasted at 2.4% and 2.5% in 2017.

Chinese GDP grows 6.7% in Q1 2016 – The world's second-largest economy expanded 6.7% in the first quarter of 2016, slightly slower than the previous quarter's 6.8%. The results were in line with market expectations and suggested that the government's target range of 6.5% to 7% growth for 2016 was feasible.

The Story of the week: Loch Ness Monster hunters were left disappointed after a 30-foot-long body of a monster on the bottom of Loch Ness spotted by a scientific survey turned out to be the remains of a long-lost 1970s film prop. The model is thought to have sunk after the shooting of *The Private Life Of Sherlock Holmes*, starring Sir Christopher Lee.

DISCLOSURE:-

Irish Life Investment Managers Limited is regulated by the Central Bank of Ireland. While Irish Life Investment Managers uses reasonable efforts to ensure that the information contained in this document is current, accurate and complete at the date of publication, no representations or warranties are made (express or implied) as to the reliability, accuracy or completeness of such information. Irish Life Investment Managers therefore cannot be held liable for any loss arising directly or indirectly from the use of, or any action taken in reliance on, any information contained in this document. This material is for information only and does not constitute an offer or recommendation to buy or sell any investment, or subscribe to any investment management or advisory service. The performance shown represents past performance and does not guarantee future results. Past performance is not indicative of future results.



Index Performances and Market Data*

Equity Markets % (in Local Currency)	2011	2012	2013	2014	2015	2016 YTD (to 15/04)
ISEQ Overall Return	2.6	20.5	35.8	16.8	33.6	-7.7
FTSE 100 TR	-2.2	10.0	18.7	0.7	-1.3	3.0
Euro Stoxx 50 TR	-14.1	18.1	21.5	4.0	6.4	-6.1
S&P 500 TR	2.1	16.0	32.4	13.7	1.4	2.5
Nasdaq Composite	-1.8	15.9	38.3	13.4	5.7	-1.4
Nikkei 225	-17.3	22.9	56.7	7.1	9.1	-11.5
MSCI Emerging Markets	-14.9	13.9	0.9	2.6	-8.0	3.8
MSCI World	-7.6	13.1	26.2	7.7	0.2	-1.2
Sovereign 10yr Bond Yields (%)	2011	2012	2013	2014	2015	2016 YTD
U.S.	1.9	1.7	3.0	2.2	2.2	1.8
German	1.8	1.4	1.9	0.5	0.6	0.1
UK	2.0	1.9	3.0	1.9	1.9	1.4
Japan	1.0	0.7	0.7	0.3	0.2	-0.1
Ireland	8.4	4.5	3.4	1.3	1.1	0.8
Italy	7.1	4.6	4.1	2.1	1.6	1.4
Greece	31.7	12.7	8.2	9.6	7.9	8.7
Portugal	13.4	6.9	6.1	2.7	2.5	3.2
Spain	5.1	5.4	4.1	1.6	1.7	1.5
Central Bank Rates (%)	2011	2012	2013	2014	2015	2016 YTD
ECB	1	0.75	0.25	0.05	0.05	0.0
Bank of England	0.5	0.5	0.25	0.50	0.50	0.50
U.S. Federal Reserve	0.25	0.25	0.25	0.25	0.50	0.50
Foreign Exchange Rates	2011	2012	2013	2014	2015	2016 YTD
Euro/Dollar (€/\$)	1.30	1.31	1.37	1.21	1.09	1.13
Euro/Sterling (€/£)	0.83	0.81	0.83	0.78	0.75	0.80
Sterling/Dollar (£/\$)	1.55	1.61	1.65	1.56	1.46	1.42
IPD All Property Return (%)	2010	2011	2012	2013	2014	2015
Ireland	-2.4	-2.4	3.1	12.7	40.1	25.0 (to end of Q4)
U.K.	14.5	8.1	2.7	10.7	17.8	13.1 (to end of Q4)
U.S.	14.8	14.5	5.3	11.4	11.2	12.1 (to end of Q4)

*Past performance is not a reliable guide to future performance